

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
BOARD OF OIL, GAS AND MINING  
1588 West North Temple  
Salt Lake City, Utah 84116

Copy



## \* MINED LANDS RECLAMATION AGREEMENT \*

(ESCROW)

THIS AGREEMENT, made and entered into this 8th day of August, 19 80, between Continental Lime Inc. a corporation duly authorized and existing under and by virtue of the laws of Utah as party of the first part, and hereinafter called the Operator, and the Board of Oil, Gas and Mining, duly authorized and existing by virtue of the laws of the State of Utah, as party of the second part hereinafter called the Board.

## WITNESSETH:

WHEREAS, the Operator is the owner and in possession of certain mining claims and/or leases hereinafter more particularly mentioned and described in Exhibit "A" attached hereto.

WHEREAS, the Operator did on the 29th day of November 19 79, file with the Division of Oil, Gas and Mining, a "Notice of Intention to Commence Mining Operations" and a "Mining and Reclamation Plan" to secure authorization to engage, or continue to engage, in mining operations in the State of Utah, under the terms and provisions of the Mined Land Reclamation Act, Section 40-8, UCA, 1953;

WHEREAS, the Operator is able and willing to reclaim the above mentioned "lands affected" in accordance with the approved mining and reclamation plan, the Mined Land Reclamation Act and the rules and regulations adopted in accordance therewith.

WHEREAS, the Board has considered the factual information and recommendations provided by the staff of the Division of Oil, Gas and Mining as to the magnitude, type and costs of the approved reclamation activities planned for the land affected.

WHEREAS, the Board is cognizant of the nature, extent, duration of operations, and the fact that the Operator has been unable to obtain a surety bond.



NOW THEREFORE, for and in consideration of the mutual covenants of the parties by each to the other made and herein contained, the parties hereto agree as follows:

1. The Operator promises to reclaim the land affected in accordance with the approved mining and reclamation plan, the Mined Land Reclamation Act, and the rules and regulations adopted in accordance therewith.
2. The Operator, in lieu of posting a bond or other surety hereby agrees to deposit (\$ 7,604.00 ) dollars, commencing on the 1st day of August, 1980, and on the same date each year thereafter, in what will be hereinafter referred to as the Escrow Fund, until such time as said Escrow Fund contains (\$ 38,020.00 ) dollars, excluding interest.
3. The Board, in lieu of the posting of a bond or other surety, agrees to execute an Escrow Agreement with the Operator and any third party designated by said Operator.
4. Upon execution of the Escrow Agreement, the Operator agrees to furnish the Board a copy of each receipt of deposit no later than the 10th day of August of each year.
5. The Board and the Operator agree that failure by the Operator to make a deposit into the Escrow Fund within two months following the due date shall constitute a Breach of Contract and the Board may, after notice and hearing, declare all monies in the Escrow Fund forfeited and request the Attorney General to take the necessary legal actions to enjoin further mining activities by the Operator in the State of Utah.

IN WITNESS WHEREOF, the parties of the first and second parts hereto have respectively set their hands and seals this \_\_\_\_\_ day of August, 1980.

By: C. Richard McNally  
Operator  
CONTINENTAL LIME INC.

Approved as to Form:

\_\_\_\_\_  
Assistant Attorney General

By: \_\_\_\_\_  
Board of Oil, Gas and Mining

STATE OF UTAH            )  
COUNTY OF Salt Lake ) :ss

On this 8th day of August, 1980, personally appeared before me C. Richard McNally, who being by me duly sworn did say that he is the President of Continental Lime Inc., a Utah Corporation, and that the foregoing instrument was signed in behalf of said corporation by authority of its Board of Directors, and said C. Richard McNally acknowledged to me that said corporation executed the same.

Ruth Ann Robins  
NOTARY PUBLIC  
Residing in Salt Lake City, Utah

My Commission Expires:

June 4, 1984



STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
BOARD OF OIL, GAS AND MINING  
1588 West North Temple  
Salt Lake City, Utah 84116

\* ESCROW AGREEMENT \*

AGREEMENT made this 8th day of August, 1980,  
between the Board of Oil, Gas and Mining, hereinafter called the Board,  
Continental Lime Inc., ~~xxxxxx~~  
hereinafter called the Operator, and First Security Bank of Utah, N.A.  
hereinafter called the ESCROWEE.

WHEREAS, the Board and the Operator have entered into a Mined Land  
Reclamation Agreement upon terms and conditions therein set forth.

WHEREAS, the Operator desires to execute an Escrow Agreement in  
lieu of furnishing a Bond or other form of surety for the purpose of  
meeting the requirements of Section 40-8-14, UCA, 1953.

IT IS THEREFORE AGREED:

1. Deposit of Escrow Fund. Commencing on the 1st day of  
August, 1980, and on the same date each year  
thereafter, the Escrowee agrees to accept and the Operator  
agrees to deposit (\$ 7,604.00 ) dollars, in what will be  
hereinafter referred to as the Escrow Fund, until such time as  
said Escrow Fund contains (\$ 38,020.00 ) dollars, excluding  
interest. All interest earned by the monies in said Fund  
shall accumulate to the benefit of the Fund until this Escrow  
Agreement is terminated by mutual consent of the undersigned  
or disbursement of the Funds therein is ordered by a court of  
competent jurisdiction.
2. Depository of Fund. The Fund shall be held by the Escrowee in  
an interest bearing account separate and apart from the personal  
funds of the Escrowee until such time as the Escrowee received  
written direction, with respect to the disbursement of said  
Fund, together with interest earned thereby, signed by both  
the Board and the Operator.



3. Protection of Escrowee. The Escrowee shall be protected in acting upon any notice, request, waiver, consent, receipt of other paper or document believed by the Escrowee to be genuine and to be signed by the proper party or parties.
4. Accounting. The Escrowee shall furnish a formal accounting for the Escrow Fund at the end of each calendar or fiscal year to notify the Board and the Operator as to the date each payment was made into said Fund and the total amount contained therein and the interest accumulated thereby.
5. Fee. The fee of the Escrowee has been fixed by the Operator and the Escrowee under separate agreement. The Escrowee shall not be entitled to any additional fee for services rendered under this agreement.
8. Modification. This agreement may not be altered or modified without the express written consent of the Operator, the Board and the Escrowee.

IN WITNESS WHEREOF, the parties of the first and second parts hereto have respectively set their hands and seals this \_\_\_\_\_ day of August, 19 80.

By: C. Richard Zepf  
Operator  
Continental Lime Inc.

By: W. L. Lamborn, Trust Officer  
Escrowee  
First Security Bank of Utah, N.A.

By: \_\_\_\_\_  
Board of Oil, Gas and Mining

Approved as to Form:

\_\_\_\_\_  
Assistant Attorney General



STATE OF UTAH )  
COUNTY OF Salt Lake ) :ss

On this 8th day of August, 1980, personally appeared before me C. Richard McNally, who being by me duly sworn did say that he is the President of Continental Lime Inc., a Utah Corporation, and that the foregoing instrument was signed in behalf of said corporation by authority of its Board of Directors, and said C. Richard McNally acknowledged to me that said corporation executed the same.

Ruth Ann Robins  
NOTARY PUBLIC  
Residing in Salt Lake City, Utah

My commission Expires:

June 4, 1984

ACKNOWLEDGMENT  
\*\*\*\*\*

\_\_\_\_\_,  
the Escrow Agent named in the foregoing Agreement, hereby acknowledges that there is on deposit at \_\_\_\_\_ (address) deposited to the credit of \_\_\_\_\_ Operator named in the foregoing agreement, in the sum of \_\_\_\_\_ said sum constituting the first installment of the Escrow Fund; that it is aware of the within agreement, that it agrees to make disbursement of the proceeds of the within named trust account only within the provisions of the terms as outlined in said agreement.

\_\_\_\_\_  
By: \_\_\_\_\_  
\_\_\_\_\_  
(Title)  
(Escrow Agent)

STATE OF UTAH )  
COUNTY OF \_\_\_\_\_ ) :ss

On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, personally appeared before me \_\_\_\_\_, who being by me duly sworn did say that he is the \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_ Corporation, and that the foregoing instrument was signed in behalf of said corporation by authority of its Board of Directors, and said \_\_\_\_\_ acknowledged to me that said corporation executed the same.

\_\_\_\_\_  
NOTARY PUBLIC  
Residing in \_\_\_\_\_, Utah

My Commission Expires:



EXECUTIVE SUMMARY

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Continental Lime, Inc.  
Cricket Mountain Lime Plant Quarry

Millard County, Utah

Sections 25 & 36, Township 21 South, Range 10 West



#### LOCATION:

The proposed limestone quarry is located approximately 32 miles southwest of Delta, Utah and 6½ miles west of Highway 257 in Sections 25 & 36, Township 21 South, Range 10 West, Millard County, Utah. See attached map for exact location.

#### SOILS AND GEOLOGY:

The soils in the quarry area belong to the Lithic Xerollic Calciorthids-Xerollic Calciorthids Association. The quarry proper soils are generally sparse and shallow, being mildly to strongly alkaline, and ranging from stony to sandy loams. They are well to somewhat excessively well-drained, permeability is moderate to rapid, runoff is medium to very rapid, and sediment production is moderate. There are two major areas where the soil is deeper and can be stockpiled for reclamation purposes; these are located on the north and south ends of the proposed quarry.

The high-grade limestone will be mined principally from the Dome Limestone formation, with some coming from the Swasey Limestone formation. The overburden, low-grade limestone, and shale units are from the Swasey Limestone, Marjum, and Whirlwind formations. The formations are of the Middle Cambrian Age. A fault traverses the proposed quarry site.

#### HYDROLOGY:

The normal average annual precipitation for this area is approximately 8 inches. The Beaver River is approximately seven miles to the east. Runoff from the surface facilities should not be a problem since no major water courses or drainage ways exist in the quarry area and the site is adjacent to an alluvial fan.

#### ECOLOGY:

Vegetation in the area is principally sagebrush, cliffrose, shadscale, cheat grass, slender wheatgrass, galleta grass, ephedra, cactus, pinyon, juniper, and assorted annuals. A species of Penstemon which is being considered for listing as a threatened species is located in the area, but recent studies have indicated that its range is considerably more widespread than originally believed. The area is mainly used for range and wildlife habitat with some use for recreation and mineral development.

#### STRUCTURES AND FACILITIES:

The mining operation will consist of a total of approximately 276 acres and includes the quarry, access-haul road, topsoil and overburden storage areas, waste disposal areas, and an on-site crushing and screening plant.



MINING AND RECLAMATION:

Continental Lime, Inc. has committed to the following:

During Operations:

1. Mining will be conducted in a safe, orderly and minerlike fashion and in such a manner as to minimize visual and environmental degradation.
2. Prior to commencement of operations, available topsoil and overburden materials will be removed and stockpiled for redistribution on disturbed surface areas at the time of reclamation.
3. Mining will be carried out in a benching fashion using a drill and blast procedure.
4. The limestone will be crushed and screened on-site then trucked to the processing plant approximately 6 miles away.
5. Dust from the crushing operation will be suppressed by either spraying with water, if available, or installation of a baghouse. The access-haul road will be sprayed.

After Operations:

1. All extraneous debris, scrap metal, wood, trash, and structures will be removed from the site.
2. The disturbed areas will be recontoured to the most stable slopes possible.
3. Available overburden and topsoil will be spread over the disturbed surfaces to the extent possible and the areas will be scarified, and revegetated with an approved seed mixture.
4. Appropriate measures will be taken to protect the seeded areas from grazing while vegetation is becoming established.
5. All disturbed areas will be monitored and reseeded if necessary.

IMPACTS:

As a result of the mining operation, the limestone deposit will be removed and the original topography will be altered. During the life of the mine, there will be a visual impact and some loss of vegetation and grazing capacity. These impacts should be mitigated upon termination of the operation. The operation should be a benefit to the local economy of Millard County.



SURETY:

Reclamation surety for this operation has not been estimated at this time. The life of the operation is anticipated to be between 30 and 100 years, and the disturbed area is expected to be a total of 276 acres.

APPLICATION HISTORY:

November 29, 1979

Division received application forms and supplementary materials for the proposed quarry.

Thru February 29, 1980

Division review of application.

March 6, 1980

Division performed on-site inspection.

March 10, 1980

Division prepared Notice of Action for Environmental Coordinating Committee Review.

March 20, 1980

Division prepared Executive Summary for Board Review.



